

**MANAGEMENT OF GOVERNMENT PROPERTY
IN THE POSSESSION OF SUBCONTRACTORS
(Reference FAR Parts 45 and 52)**

Purpose

This document prescribes the minimum requirements Subcontractors and lower-tier Subcontractors (hereinafter referred to as Subcontractors) must meet in establishing and maintaining control over Government property

Government property is generally not provided to Subcontractors. The decision to provide Government property to Subcontractors (whether Government-furnished or Subcontractor-acquired) shall be made only after careful consideration of all relevant facts.

If there is any inconsistency between this document and the terms of the Subcontract, the terms of the Subcontract shall govern.

Subcontractor Responsibility

The JPL Subcontractor is directly responsible and accountable for all Government property in accordance with the provisions of the Subcontract. The Subcontractor's system shall be adequate to control, protect, preserve, and maintain all Government property, including residual and scrap material. The Subcontractor shall maintain and make available all records required by this document and account for all Government property until relieved of that responsibility.

Definitions

Government property: All property owned by or leased to the Government or acquired by the Government under the terms of the Subcontract. It includes Facilities, Real Property, Plant equipment (PE), Material, including Work In Process (WIP), Special Tooling (ST), Special Test Equipment (STE), and Agency-Peculiar Property (APP).

Reportable Equipment: Plant equipment, Special Test Equipment including Components, Special Tooling, and Non-flight Space Property, including Ground Support Equipment (GSE), that is:

- Commercially available and used as a separate item or component of a system;
- Valued at \$1,000 or more; and
- Identifiable by a manufacturer and model number.

Work in Process (WIP): Consists of property items under development (not complete) and includes the costs of all WIP regardless of value for all categories of property. The costs of WIP for assets destined for permanent operation in space such as satellites, space probes, and their components should NOT be reported.

See FAR Sections 45.101, 301, 501, and 601 for additional property definitions

Subcontractor Reporting

Monthly Report: The Subcontractor shall provide a completed Contractor-Held Asset Tracking System (CHATS) Report to JPL on the 3rd business day of each month if the following reporting criteria are met:

- Taggable property (PE, ST, STE & APP) over \$100K; or
- Material and WIP regardless of value.

NF 1018 Annual Report: The Subcontractor shall submit a completed NASA Form 1018, "NASA Property in the Custody of Contractors" annually to JPL.

Annual Results of Inventories: The Subcontractor shall submit the following to JPL promptly after completing an annual physical inventory:

- (1) A listing that identifies all discrepancies disclosed by a physical inventory;
- (2) A signed statement that physical inventory of all or certain classes of Government property was completed on a given date; and
- (3) Certification that the official property records were found to be in agreement except for any discrepancies reported.

Loss, Damaged or Destroyed Property: Loss of Government property in the Subcontractor's possession must be identified within 30 days of discovery, along with a request for relief of accountability and a corrective action plan.

At the time of receipt, the Subcontractor shall report to JPL, in writing, all cases of overages or shortages.

The removal of Government property to storage, or its contemplated transfer, does not relieve the Subcontractor of these responsibilities.

The Subcontractor's maintenance program shall provide for disclosing and reporting the need for major repair, replacement, and other capital rehabilitation work for Government property in its possession or control.

Acquiring and Tagging Government Property

Form DD 1419: A DD 1419 will be prepared for each item of Reportable Equipment to be acquired by the Subcontractor valued at \$1,000 or greater. Instructions for preparing the DD 1419 are contained in NASA FAR Supplement (NFS) 18-45.71032.

Equipment under the \$1,000 threshold does not require a DD 1419, but must be reported to JPL.

Tagging Property: Property Tags must be requested within 30 days of receipt of property by the Subcontractor.

- NASA NEMS tags shall be affixed to property of \$1,000 (Sensitive items over \$100) or more, as directed by JPL.
- "D" tags shall be affixed to all property not meeting the NEMS tagging reporting requirements above.
- Include the following information in a Microsoft Excel file (.xls) to JPL when requesting a tag (NEMS or D):
 - Description,
 - FSC Manufacturer,
 - Model Number,
 - Serial Number,
 - Cost,
 - Subcontract Number,
 - Date in Service,
 - Property Type.

All markings shall be removed or obliterated when Government property is sold, scrapped, or donated.

Sensitive Item List: The sensitive items list may be located at http://acquisition.jpl.nasa.gov/Sensitive_Item_List.pdf. These items may fall below the \$1,000 threshold, but are considered sensitive or pilferable and require a NEMS tag.

Title Vesting: *(For University Subcontracts only)* A JPL Form 2710 "Vesting of Title" is required for items specifically approved by JPL, in writing, to be purchased with funds available for research and having an acquisition cost of \$5,000 or less. The University shall request title when they submit the DD 1419 for pre-acquisition screening.

Excess Government Property: The Subcontractor shall report excess Government property to JPL, utilizing Plant Clearance Automated Reutilization Screening System (PCARSS) or Inventory Schedule (Form 1428) when the property is no longer required on the Subcontract. See FAR 45.606 for additional clarification. A template for the report is available at <https://www.pcarss.dcm.mil/>.

Shipment of Government Property: Adequate descriptions of property and accurate dollar values, including the Form DD 1419 shall be included with the shipment and also forwarded to the JPL Property Administrator.

Property Closeout: A Property Closeout Certificate, JPL form 0948, shall be signed by the Subcontractor's authorized representative and returned to JPL prior to final payment.